

ST. JAMES COUNCIL ON AGING
(A NOT-FOR-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

DECEMBER 31, 2011

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INDEPENDENT AUDITORS' REPORT

To the St. James Community Action
Administering Board (CSBG)
St. James Council on Aging
Convent, Louisiana

We have audited the accompanying statement of financial position of St. James Council on Aging (a nonprofit organization) as of December 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the St. James Council on Aging's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. James Council on Aging as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report date June 28, 2012, on our consideration of St. James Council on Aging's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Postlethwaite & Netterville

Donaldsonville, Louisiana
June 28, 2012



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the St. James Community Action
Administering Board (CSBG)
St. James Council on Aging
Convent, Louisiana

We have audited the financial statements of St. James Council on Aging (a nonprofit organization) as of and for the year ended December 31, 2011, and have issued our report thereon date June 28, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of St. James Council on Aging is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered St. James Council on Aging's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. James Council on Aging's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of St. James Council on Aging's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. James Council on Aging's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be report under *Government Auditing Standards*.

This report is intended solely for the information and use of management of St. James Council on Aging, St. James Community Action Administering Board, others within the organization, State of Louisiana Legislative Auditor's Office, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

For the State of Louisiana: [Signature]

Donaldsonville, LA
June 28, 2012

ST. JAMES COUNCIL ON AGING
CONVENT, LOUISIANA

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011

ASSETS

CURRENT ASSETS

Cash in bank	\$ 51,025
Unconditional promises to give	23,350
	<u>74,375</u>
Restricted assets:	
Cash in bank	61,822
Federal grants receivable	5,913
Total restricted assets	<u>67,735</u>
Total current assets	<u>142,110</u>
Total assets	<u><u>\$ 142,110</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES (payable from current assets)

Accounts payable	\$ 189
Accrued expenses	10,400
Due to St. James Parish	4,753
Total current liabilities (payable from current assets)	<u>15,342</u>

CURRENT LIABILITIES (payable from restricted assets)

Accounts payable	54
Due to St. James Parish	19,426
Total current liabilities (payable from restricted assets)	<u>19,480</u>

NET ASSETS

Temporarily restricted	48,255
Unrestricted	59,033
Total net assets	<u>107,288</u>
Total liabilities and net assets	<u><u>\$ 142,110</u></u>

The accompanying notes are an integral part of this statement.

ST. JAMES COUNCIL ON AGING
CONVENT, LOUISIANA

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Support and revenues</u>			
Support:			
Allocations by Capital Area United Way	\$ 46,842	\$ -	\$ 46,842
Federal financial assistance	-	18,926	18,926
Donations by St. James Parish Council	10,300	-	10,300
Total support	<u>57,142</u>	<u>18,926</u>	<u>76,068</u>
Revenues:			
Interest income	-	10	10
Total revenues	<u>-</u>	<u>10</u>	<u>10</u>
Net assets released from restrictions			
Satisfaction of program restrictions	54,847	(54,847)	-
	<u>54,847</u>	<u>(54,847)</u>	<u>-</u>
 Total support and revenues	 <u>111,989</u>	 <u>(35,911)</u>	 <u>76,078</u>
<u>Expenses</u>			
Program services:			
Emergency assistance	34,751	-	34,751
Helping Hands	6,219	-	6,219
Disaster assistance	(154)	-	(154)
Katrina relief mental health	268	-	268
Rental assistance	18,926	-	18,926
Education & training	28,438	-	28,438
Individual development	872	-	872
Elderly Services	1,728	-	1,728
Total program services	<u>91,048</u>	<u>-</u>	<u>91,048</u>
Support services:			
General and administrative	10,300	-	10,300
 Total expenses	 <u>101,348</u>	 <u>-</u>	 <u>101,348</u>
Change in net assets	10,641	(35,911)	(25,270)
Net assets, beginning of year	48,392	84,166	132,558
Net assets, end of year	<u>\$ 59,033</u>	<u>\$ 48,255</u>	<u>\$ 107,288</u>

The accompanying notes are an integral part of this statement.

ST. JAMES COUNCIL ON AGING
CONVENT, LOUISIANA

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2011

	<u>Emergency Assistance</u>	<u>Helping Hands</u>	<u>Disaster Assistance</u>	<u>Katrina Relief Mental Health</u>	<u>Rental Assistance</u>
Salaries and fringe benefits	\$ 7,313	\$ -	\$ -	\$ -	\$ 13,389
Professional fees	-	-	-	-	-
Assistance to individuals	<u>27,438</u>	<u>6,219</u>	<u>(154)</u>	<u>268</u>	<u>5,537</u>
Total	<u>\$ 34,751</u>	<u>\$ 6,219</u>	<u>\$ (154)</u>	<u>\$ 268</u>	<u>\$ 18,926</u>

(continued)

The accompanying notes are an integral part of this statement.

ST. JAMES COUNCIL ON AGING
CONVENT, LOUISIANA

STATEMENT OF FUNCTIONAL EXPENSES (continued)
YEAR ENDED DECEMBER 31, 2011

	<u>Education & Training</u>	<u>Individual Development</u>	<u>Elderly Services</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries and fringe benefits	\$ 28,438	\$ -	\$ -	\$ -	\$ 49,140
Professional fees	-	378	-	10,300	10,678
Assistance to individuals	-	494	1,728	-	41,530
Total	<u>\$ 28,438</u>	<u>\$ 872</u>	<u>\$ 1,728</u>	<u>\$ 10,300</u>	<u>\$ 101,348</u>

The accompanying notes are an integral part of this statement.

ST. JAMES COUNCIL ON AGING
CONVENT, LOUISIANA

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in net assets	\$ (25,270)
Adjustment to reconcile decrease in net assets to net cash used in operating activities:	
Changes in:	
Unconditional promises to give	(11,530)
Accounts receivable	2,834
Federal grants receivable	(5,913)
Accounts payable	(1,152)
Due to St. James Parish	11,840
Net cash used in operating activities	<u>(29,191)</u>
Net decrease in cash	(29,191)
Cash at beginning of year	<u>142,038</u>
Cash at end of year	<u><u>\$ 112,847</u></u>
 Cash for cash flow statement include:	
Cash in bank, unrestricted	\$ 51,025
Cash in bank, restricted	61,822
	<u><u>\$ 112,847</u></u>

The accompanying notes are an integral part of this statement.

ST. JAMES COUNCIL ON AGING
CONVENT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Nature of Activities

St. James Council on Aging (the Council) is a not-for-profit, non-stock corporation organized to promote the welfare of the elderly and poverty level citizens of St. James Parish, Louisiana. St. James Council on Aging collects facts and statistics and makes special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging and poor of St. James Parish. The Capital Area United Way provides funding to St. James Council on Aging for its Emergency Assistance Program. Emergency assistance is provided to low income individuals and families for payment of medical bills, utilities, rent, purchase of food and clothing, and similar needs. Other programs are funded by private foundations and grants.

St. James Council on Aging was incorporated in 1973. In the bylaws adopted in 1989, the St. James Parish's Department of Human Resources is charged with carrying out the activities of St. James Council on Aging.

Promises to give

Contributions are recognized when the donor makes a promise to give to the Council that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Council uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Financial statement presentation

The Council reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Council is required to present a statement of cash flows.

ST. JAMES COUNCIL ON AGING
CONVENT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand and certificates of deposits with original maturity dates of three months or less.

Concentration of credit risk

The Council has bank accounts at local financial institutions. All of the Council's deposits are properly insured by the Federal Deposits Insurance Corporation (FDIC) as of December 31, 2011.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income taxes

The Council accounts for income taxes in accordance with income tax accounting guidance included in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). On January 1, 2009, the Council adopted the recent accounting guidance related to accounting for uncertainty in income taxes, which sets out consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions.

The Council is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Therefore, the Council has not recorded a provision for income taxes in the accompanying financial statements and the Council does not have any uncertain tax positions. The Council files a federal income tax return under U.S. federal jurisdiction. With few exceptions, the Council is no longer subject to U.S. federal examinations by tax authorities for the year before 2008.

ST. JAMES COUNCIL ON AGING
CONVENT, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

2. Promises to Give

Unconditional promises to give at December 31, 2011 consist of United Way core funding in the amount of \$23,350.

3. Restricted Net Assets

The Council's temporarily restricted net assets are available for the following purposes:

Mental Health	\$ 7,655
Education and Training	734
Disaster Assistance	27,922
IDA	5,142
Transportation	3,610
Elderly Service	2,723
Weatherization	469
	<hr/>
	\$ 48,255

4. Related Party and Donated Services and Facilities

St. James Council on Aging presently has no employees. In accordance with its bylaws, the Council on Aging has given operational responsibilities for all programs to the Department of Human Resources of the St. James Parish. Employees of the Department of Human Resources administer the programs of St. James Council on Aging. No amounts have been reflected in the financial statements for donated services or facilities from St. James Parish.

5. Evaluation of Subsequent Events

The Council has evaluated subsequent events through June 28, 2012, the date which the financial statements were available to be issued.